
**Technology, Energy &
Communications Committee**

HB 1011

Brief Description: Adopting distributed generation interconnection procedures.

Sponsors: Representative Morris.

Brief Summary of Bill

- Increases the generating capacity on a net metering system to 100 kW or less.
- Specifies procedures, time lines, and technical specifications for interconnecting a customer's electrical generation facility of 20 megawatts or less to an electrical distribution system.

Hearing Date: 1/13/05

Staff: Sarah Dylag (786-7109).

Background:

Net Metering and Interconnection

Net metering allows electricity customers to offset (over a predetermined time period) their consumption of purchased electricity with electricity generated by their own small scale renewable system. Under net metering, the customer's small renewable energy system is connected to a utility's electrical distribution system. This interconnection of small scale generation includes a number of issues, including the technical and contractual issues that must be settled between the utility and its customer before connection to the electrical distribution system can be made.

There are a number of efforts underway to establish standards for interconnection to an electrical grid for small scale generation. Several states have adopted interconnection standards. In addition, the National Association of Regulatory Utility Commissioners, the Federal Energy Regulatory Commission, and the Institute of Electrical and Electronic Engineers, among others, are developing interconnection requirements to ensure safety and reliability of the electrical transmission and distribution system. The Interstate Renewable Energy Council has developed a model net metering and a model interconnection rule to assist state policy makers when considering net metering and interconnection legislation.

Current Law

Under current law on net metering, a net metering system is defined as an electrical production facility that: (1) Use solar, wind, or hydro power; (2) has a generating capacity of 25 kilowatts or less; (3) is located on the customer's premises; (4) operates in parallel with the electrical utility's distribution and transmission system; and (5) is intended primarily to offset part or all of the customer's electricity requirements. Current law also provides that the utility must allow net metering systems to be interconnected using standard bidirectional meters, unless the Washington Utilities and Transportation Commission (WUTC), in the case of investor-owned utilities or the governing body of a consumer-owned utility determine additional metering equipment is necessary.

Current law requires a net metering system used by a customer-generator to include equipment that meets applicable safety, power quality, and interconnection requirements established by the National Electric Code, National Electrical Safety Code, Institute of Electrical and Electronic Engineers (IEEE), and Underwriters Laboratories (UL). The WUTC (for investor-owned utilities) or the governing body (for a consumer-owned utility) may adopt additional safety, power quality, and interconnection requirements.

Summary of Bill:

Definitions

Current net metering law is amended so that the definition of net metering system includes an electrical production facility that has a generating capacity of 100 kilowatts or less.

Interconnection Procedures

Three procedural paths for processing applications for interconnection are established: (1) a simplified process for certified inverter based facilities of 10 kw or less; (2) an expedited process for certified generating facilities that have power rating of two megawatts or less; and (3) a standard process for other generators of 20 megawatts or less.

To qualify for the simplified or expedited process, generators must be certified to comply with certain IEEE and UL standards. Once qualified for simplified, expedited, or standard review, several steps and time lines are specified for processing an application for interconnection under these three different paths. The time lines include application time frames and response times. In addition, under simplified and expedited review, an electric distribution company must screen a proposed interconnection according to certain technical specifications. If the proposed interconnection meets those screens, the interconnection will be approved.

Under the simplified path, review of the application and execution of an interconnection agreement may happen within a few weeks if the application is complete when submitted. The cost of the application to the customer may not exceed \$25.

Under the expedited path, certain pre application assistance is required. After receipt of a completed application, the distribution company screens the application according to the statutory criteria. If the proposal meets these specifications, the distribution company must process the proposal under the expedited procedure. If the application fails to meet the statutory criteria, further reviews may occur. Time lines are specified for each step. The application fee cost to the applicant may not exceed \$50 plus \$1 per kilowatt of capacity of the proposed generator. Additional fees may be imposed if minor system modifications are required.

Under the standard path, additional studies are required because of the increased complexity of a larger generation project. Fees for a standard application may not exceed \$100 plus \$2 per kilowatt capacity. Additional charges may include actual time spent on an interconnection study. Costs for engineering review may not exceed \$100 per hour. Additional costs may be assessed.

Once the interconnection is approved, an electric utility may conduct limited testing of the facility. The utility may conduct an annual test and any manufacturer recommended testing

The commission may resolve disputes using a technical master.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.